

**COMMONWEALTH OF KENTUCKY  
FLEXIBLE BENEFITS PLAN  
PUBLIC EMPLOYEE HEALTH INSURANCE PROGRAM  
KENTUCKY EMPLOYEES' HEALTH PLAN**

**(As Amended and Restated)**

***Effective Date: January 1, 2006***

***Amended Date: March 25, 2020  
Amending 2019 Flexible Benefits Plan***

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FLEXIBLE BENEFITS PLAN  
PUBLIC EMPLOYEE HEALTH INSURANCE PROGRAM  
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**Plan Document Amendment Extending the Run-Out Period for  
Healthcare and Dependent Care Flexible Spending Accounts**

The Commonwealth of Kentucky's 2019 Flexible Benefits Plan Document established a 90-day Run-Out Period after the end of the 2019 Plan Year during which an Employee may be reimbursed for eligible Medical Expenses incurred during an Employee's Health FSA 2019 Coverage Period. See, Section 5.06(c).

The Commonwealth of Kentucky's 2019 Flexible Benefits Plan Document established a 90-day Run-Out Period after the end of the 2019 Plan Year during which an Employee may be reimbursed for eligible expenses for Dependent Care Qualifying Services incurred during an Employee's Dependent Care FSA 2019 Coverage Period. See, Section 6.05.

On March 6, 2020, Governor Andy Beshear issued Executive Order 2020-215 declaring that a State of Emergency exists in the Commonwealth of Kentucky related to the novel coronavirus (COVID-19).

On March 9, 2020, Governor Beshear issued Executive Order 2020-220 declaring a State of Emergency specifically related to insurance and the novel coronavirus. To comply with the Executive Order, the Plan waived all cost-sharing including copayments, coinsurance, and deductible for screening and testing for COVID-19 as specified by the Centers for Disease Control and Prevention (CDC). In addition, the Plan waived any prior authorization requirements for screening and diagnostic testing for COVID-19.

On March 13, 2020, President Donald Trump declared a national state of emergency related to COVID-19.

Further actions of Governor Beshear to slow the spread of COVID-19 included, but are not limited to, the closing of schools and businesses, recommending social distancing, cancelation of in-person public services, prohibiting face-to-face meetings in certain circumstances, and encouraging Commonwealth employers to permit employees to telecommute.

In an effort to assist Employees who may not be able to comply with the strict Run-Out Period deadline established in the 2019 Flexible Benefits Plan Document, the Plan Document is hereby amended as follows to extend the Run-Out Period for Health and Dependent Care FSA claim reimbursement from 90 days to 120 days:

- 1.44 **Run Out Period** means one hundred twenty (120) ~~ninety (90)~~ days after the end of the Plan Year (i.e. April 30 ~~March 31~~). Requests for reimbursements submitted after the Health FSA or DCFSA Run Out Period will not be reimbursed.

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## 2.07 Termination of Participation

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- (b) The aforementioned terminations of participation are effective, provided that the Coverage Period for the Benefit Option(s) provided in Section 4.02 (a) and (b) shall end, with limited exceptions, no earlier than the last billing period through which Salary Redirection, Salary Reduction, and Employer contributions have been provided. The period for the reimbursement of Medical Expenses from the Health FSA or expenses for Dependent Care Qualifying Services from the DCFSA as provided in Section 4.02(b) and incurred during the Coverage Period shall continue until 120 90 days after the end of the calendar year of the claim service date or until the balances of the Health Care FSA or DCFSA have been reduced to zero, whichever occurs first, subject to the submission of verifiable incurred expenses.

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## 5.06 Eligible Reimbursement under a Health FSA

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### (c) Reimbursement.

In accordance with the Health FSA Summary Plan Description, claims for reimbursements of Medical Expenses incurred in any Coverage Period shall be paid as soon as it is administratively feasible following the date that the claim is submitted. This is provided, however, that any claim incurred during a Coverage Period shall be submitted no later than 120 90 days after the end of the Plan Year ("Run Out Period") during which the Medical Expense is incurred. The claims deadline for mid-year termination or cancelation of a Health FSA is 120 90 days after the end of the Plan Year of the claim service date. The claim must have been incurred on or prior to the Employee's termination date.

The Participant may submit requests for reimbursement of eligible Medical Expenses at any time prior to the end of the Health FSA Run Out Period and that were incurred during the Participant's eligible Coverage Period. The Health FSA Run Out Period is 120 90 days after the end of the Plan Year. Requests for reimbursements submitted after the Health FSA Run Out Period will not be honored and no reimbursement will be made. In no event shall Benefits be provided in the form of cash or any other taxable or nontaxable benefit other than reimbursement for Medical Expenses.

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5.16 Reimbursements from Health FSA after Termination of Participation; COBRA

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When a Participant ceases to be a Participant, the Participant's Salary Reductions and Election to participate will terminate. Except as otherwise provided (regarding certain individuals who may be reimbursed from their Prior Plan Year Health FSA amounts for expenses incurred during a Grace Period), the Participant will not be able to receive reimbursements for Medical Expenses incurred after the end of the day on the last day of the last pay period worked or the Participant otherwise ceases to be eligible. However, such Participant (or the Participant's estate) may claim reimbursement for any Medical Expenses incurred during the Coverage Period prior to the last day of the last pay period worked (or during any Grace Period to which the Participant is entitled) as provided, provided that the Participant (or the Participant's estate) files a claim within 120 90 days after the end of the calendar year of the claim service date.

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6.10 Reimbursements From DCFSA After Termination of Participation

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When a Participant ceases to be a Participant, the Participant's Salary Reductions and election to participate in the DCFSA will terminate. The Participant will not be able to receive reimbursements for expenses associated with Dependent Care Qualifying Services incurred after the last day of the last pay period worked or the Participant otherwise ceases to be eligible, with one exception: such Participant (or the Participant's estate) may claim reimbursement for expenses for any Dependent Care Qualifying Services incurred during the remainder of the month following termination of employment or other cessation of eligibility. The Participant must submit claims for these Dependent Care Qualifying Services expenses within 120 90 days after the end of the Plan Year in which termination occurs.

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IN WITNESS WHEREOF, and as conclusive evidence of the adoption of the foregoing amendment to the Public Employee Health Insurance Program, Kentucky Employees' Health Plan, Health Reimbursement Arrangements Plan Document, the undersigned has caused this Amendment to be executed in its name and on its behalf, on this 25<sup>th</sup> day of March, 2020.

**COMMONWEALTH OF KENTUCKY  
PERSONNEL CABINET  
DEPARTMENT OF EMPLOYEE INSURANCE**

BY:   
Jenny Goins, Commissioner

DATE: 3/25/2020

WITNESS: 